

PSJ9 Exh 31

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION
4

5 -----x

6 IN RE: NATIONAL PRESCRIPTION) MDL No. 2804
7 LITIGATION) Case No. 17-md-2804
8 This document relates to:) Hon. Dan A. Polster
9 All Cases)

10 -----x

11 HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER
12 CONFIDENTIALITY REVIEW
13 VIDEOTAPED DEPOSITION OF TINA STEFFANIE-OAK
14 YORK, PENNSYLVANIA
15 MONDAY, MARCH 11, 2019
16 9:34 A.M.

17
18
19
20
21
22
23

24 Reported by: Leslie A. Todd

1 BY MR. MIGLIORI:

2 Q All right. "Tina based her analysis on
3 2012 numbers."

4 Does that change your recollection about
5 whether you did this analysis?

6 A I did an analysis, but it was in 2013.

7 Q Well, but on 2012 numbers, correct?

8 A Correct.

9 Q "I learned from a recent conversation
10 with Shaun Abreu, Verifications manager, that the
11 number of active accounts ordering controlled
12 substance products is now closer to 40,000, and
13 that we have completed due diligence for about
14 13,000 accounts."

15 Were you aware of that information from
16 Shaun Abreu?

17 A At that point --

18 MS. FINCHER: Object to the form.

19 THE WITNESS: -- in time, yes.

20 BY MR. MIGLIORI:

21 Q Okay. "So, therefore, the gap is now
22 approximately 27,000 accounts."

23 Do you recall that being based on 2012
24 numbers, the number of accounts that had no due

1 diligence or completed due diligence?

2 A I recall based off of reading this
3 e-mail.

4 Q Okay. So going back to my earlier
5 question when you said there was a small amount of
6 backlog, will you agree with me that 27,000 out of
7 40,000 customers is not a small amount of due
8 diligence backlog?

9 MS. FINCHER: Object to the form.

10 THE WITNESS: Yes.

11 BY MR. MIGLIORI:

12 Q All right. "Based on year-to-date
13 records, we can expect Regulatory Affairs to
14 process 400 to 450 due diligence files each year."

15 Was that a statistic or a projection
16 that you put together?

17 MS. FINCHER: Object to the form.

18 THE WITNESS: I don't recall. I may --
19 I'm sure I had input, but I'm not sure if I'm the
20 only one that reviewed that.

21 BY MR. MIGLIORI:

22 Q Okay. Let me explore that a little bit.
23 If you're bringing on 1560 new accounts ordering
24 controlled substances each year, of those, are --

1 is it only a fraction of those getting due
2 diligence files updated?

3 MS. FINCHER: Object to the form.

4 THE WITNESS: Can you repeat that again?

5 BY MR. MIGLIORI:

6 Q Sure. I'm trying to understand of the
7 400 to 450 files this year, is that the backlog
8 project or is that new -- new customers?

9 MS. FINCHER: Object to the form.

10 THE WITNESS: It -- it would include
11 both.

12 BY MR. MIGLIORI:

13 Q Okay. So we can agree that by the end
14 of 2012, when you had your appraisal that we --
15 your -- your work appraisal that we looked at,
16 Exhibit No. 4, at the end of that year, based on
17 the statistics that you gave to Sergio Tejeda,
18 there were approximately 27,000 accounts or
19 customers in the Henry Schein system that did not
20 have complete due diligence.

21 MS. FINCHER: Object --

22 BY MR. MIGLIORI:

23 Q Correct?

24 MS. FINCHER: Object to the form.

1 Mischaracterizes the document.

2 THE WITNESS: Correct, but I still stand
3 by what I said in 2012, I was not aware of that
4 information.

5 BY MR. MIGLIORI:

6 Q That's fine.

7 A Okay.

8 Q And maybe you weren't aware of it.
9 That's fine.

10 A Okay.

11 Q But as you're providing this statistical
12 information --

13 A Mm-hmm.

14 Q -- in August of 2013 to your
15 supervisor --

16 A Yes.

17 Q -- it turned out to be true that in
18 2012, of the 40,000 customers of Henry Schein,
19 27,000 of them did not have completed due
20 diligence in their files, correct?

21 MS. FINCHER: Object to the form.
22 Mischaracterizes the document.

23 BY MR. MIGLIORI:

24 Q Correct?

1 A Correct.

2 Q All right. And you were bringing on 150
3 new customers or new accounts each day at that
4 period of time, correct?

5 A No.

6 Q Well, I'm going back up to the --
7 approximate number of new accounts open in a daily
8 basis is 150. Correct?

9 A Correct.

10 Q All right. So you're bringing on 150
11 new customers every day, but the projection for
12 completing due diligence was 400 or 450 per year,
13 correct?

14 A Per year, correct.

15 Q So in one week, in seven days, you'd
16 have just over a thousand new customers coming on.
17 Correct?

18 MS. FINCHER: Object to the form.

19 THE WITNESS: Correct.

20 BY MR. MIGLIORI:

21 Q But in that entire year, only less than
22 half of them -- due diligence would be completed
23 for less than half of what was actually onboarded
24 in a single week, correct?

1 due diligence process, we also -- there was a
2 licensure background check for state level DEA.
3 There was also an address verification check to
4 make sure it appeared to be a legitimate address,
5 a legitimate practice office.

6 A Google search. If there was a website
7 for the account, we would look at that.
8 Healthgrades was used to look at different reviews
9 of the physician. You know, any information that
10 was available on the internet.

11 Q You would agree with me that all those
12 sources of information are important to understand
13 and know your customer, correct?

14 A Correct.

15 Q And when they had 27,000 cases that did
16 not have full and complete due diligence, some
17 aspect of that information was missing in those
18 27,000 due diligence files, correct?

19 MS. FINCHER: Object to the form.

20 THE WITNESS: Correct.

21 BY MR. MIGLIORI:

22 Q And if you look at the last page of this
23 guidance -- or it says "Additional
24 Recommendations." It's going to be the page that

1 it's almost noon. So I'm not sure when you wanted
2 to take a lunch break.

3 MR. MIGLIORI: Why don't we go off the
4 record for a second and talk about that.

5 THE VIDEOGRAPHER: 11:55. We're off the
6 video record.

7 (Lunch recess.)

8 THE VIDEOGRAPHER: 12:29, we're on the
9 video record.

10 (Steffanie-Oak Exhibit No. 11 was
11 marked for identification.)

12 BY MR. MIGLIORI:

13 Q Okay. I'll show you Exhibit 11.

14 Exhibit 11 has a date of November 27,
15 2013. It's a PowerPoint presentation with -- that
16 bears your name on it. It says "Individual
17 Opportunity/Issue, Presented by Tina
18 Steffanie-Oak."

19 Did you review this in preparation for
20 today?

21 A I do remember seeing it yesterday.

22 Q Okay. And is this something you
23 prepared?

24 A Yes.

1 Q Okay. On the second page, it says
2 "Opportunity/Issue." It says: "Are we in
3 substantial compliance with DEA SOM/Know Your
4 Customer regulations?"

5 And the first bulleted item says: "We
6 do not have Know Your Customer Due Diligence for
7 approximately 60 percent of our customers.
8 Remaining 40 percent has varying degrees of due
9 diligence (files are not consistent)."

10 First of all, are those your words?

11 A Yes.

12 Q And the 60 percent represents files that
13 have no due diligence, correct?

14 MS. FINCHER: Object to the form.

15 THE WITNESS: I don't recall
16 specifically if some files may have had something.
17 I can't say with certainty.

18 BY MR. MIGLIORI:

19 Q Okay. The second part says: "Remaining
20 40 percent has varying degrees of due diligence."

21 So at least in the 40 percent, there is
22 some information. It doesn't say it all, correct?

23 A Based -- based on improvements that we
24 made to the process, we had added different types